SPEECH ON THE BUDGET

BY THE

HON. J. G. ROBERTSON,

TREASURER OF THE PROVINCE OF QUEBEC,

DELIVERED IN THE

LEGISLATIVE ASSEMBLY, QUEBEC,

2nd FEBRUARY, 1875.

(Reported for Morning Chronicle.)

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HON. TREASURER OF QUEBEC.

February 2nd, 1875.

AFTER RECESS.

The House met at half-past seven.

The Hon. Mr. ROBERTSON then moved the House into Committee of Supply. In doing so, he said :—

MR. SPEAKER,—I beg to move that you do now leave the chair, and that the House go into Committee of Supply.

This motion is not a mere matter of form, but of substance. It involves a statement of the sources of our revenue, and of how the supplies previously granted by the Legislature, have been expended, and the enquiry whether a wise economy has been exercised, or lavish extravagance of public funds practised by the Government. It involves also explanations respecting our probable means for the next fiscal year, and also the expenditure proposed for the same period, and the different objects for which the expenditure is asked from the House.

A motion for the House to go into Committee of Supply under our constitution, recognizes the sound principles that, to the popular branch of the Legislature, in a special manner, belongs the raising of funds for the public service and the distribution thereof, according to the view of the representatives of the people, and in such manner as they consider the public interest requires. A Government under our system has only to carry out, in the

collection of revenues and their disposal, the requirements of the Legislature; and it is well, Mr. Speaker, for the country that these periodical seasons of rendering an account of their stewardship to the Legislature come round, from time to time, in order that the Government may have an opportunity of showing what has been done, and the House an opportunity of judging of the way the trust reposed in the Executive has been exercised.

The public accounts for the past year have been before the House for some time, and contain statements of our receipts and expenditure for the year ending 30th June last. These statements are, I think, about as plain and easy to be understood as it is possible to make them, and will, I trust, be found satisfactory.

I may observe that the estimate of our receipts for the past fiscal year submitted by me on the 29th November, 1872, to the House, was, I am happy to say, exceeded by actual receipts to the amount of about $325,000, and that notwithstanding the large expenditure on Spencer Wood and the Quebec Court House, the gain on the year's transactions amounted to $105,000.

There was also the sum of $38,700 paid during the past year to the South Eastern Railway Company, on account of Railway Subsidy, which appears among the payments made, which should properly have come out of the loan for railway purposes. I have transferred this amount to the general revenue account for the current year, and the sum mentioned will appear in this year's transactions as a receipt, and to the debit of Railway Subsidy account.

As we have now a Railway Subsidy Account all payments hereafter to railway companies will be charged to the proper account, so as to show the disposition of the money obtained under the Act of last session, and showing the respective companies to which the money may be paid.

In connection with payments to certain railways, although made during the present fiscal year, I hope the House will allow me to make some explanations.

I allude to the payment of $80,000 to the North Shore Railway Company, and about a like sum to the Montreal Northern Colonization Company.

The act of last session provides, that the Lieutenant-Governor in Council, on being satisfied that these companies have entered into contract, in good faith, for the construction of their respective railways, and the work thereon is in active progress, may advance out of the grant or loan to which these companies are entitled, under the law, such sums as the progress of the work, and the security taken by the Companies, may seem to the Lieutenant-Governor in Council to justify. The Government had, as they supposed, made arrangements with an engineer, to inspect and report, from time to time, upon the progress of the work on these roads, but through some misunderstanding on the part of the engineer referred to, he finally declined through press of other business to undertake the inspection. The contractors on these railways had expended large sums of money in the prosecution of their work. The Companies had at the time no available means at their disposal to go on with the work, and it became a question whether the work on these railways must stop, or with some assistance from the Government be proceeded with.

With regard to the North Shore Railway, the Government obtained from the Chief Engineer of the Company, a report showing the amount of work done, and material furnished on this line, and the Government upon this Report, made an advance to the Company out of the grant made by the Legislature of $80,000 to enable the work to be proceeded with, till such time as an official report could be made by a Government Engineer as to the progress of the works and the cash value thereof. The report of Mr. Light, the Engineer appointed by the Government to inspect and report on this line, fully justifies the advance made by the Government.

With respect to the Montreal Northern Colonization Railway, the Government had reports from the engineer of the Company, and also the engineer appointed by the City Corporation of Montreal, showing the progress of the works of various kinds on this line of road, and an advance was likewise made to the Company,

otherwise the work must have been partially, if not wholly, suspended. The inspection of this line by the Government engineer fully bears out the propriety of the appropriation made. In both cases good care was taken to keep within the mark. And I consider the Government would have been justly liable to censure, taking into consideration the critical position of these companies, and of the contractors, if they had refused to appropriate a portion of the grant made by the Legislature towards encouraging the active prosecution of the work, on these important roads. (Hear, hear.)

Another point: I had just returned from England, where I frequently heard the probable success of these railways discussed. I found determined opposition to their success by certain influential parties in London. It was said that doubts existed, as to whether the cities of Montreal and Quebec, would be found willing to carry out their engagements with the respective railway companies—doubts also as to the legality of the by-laws passed by these Corporations; and, also as to whether the Government would be found willing to advance funds towards the construction of these roads, during the progress of the works; in short, all kind of hindrances, doubts and suspicions thrown in the way of negotiating the bonds of these companies, and of the purchase of rails for the same. I found also that doubts were expressed as to the power of this Legislature to borrow money for railway purposes; and that if this right existed, the law of last session, authorizing the issue and sale of debentures, for railway purposes, was defective and insufficient, in the hope of killing railway enterprises in the Province, by defeating the sale of the Government bonds. These and many other objections I had to contend with and remove as far as possible.

After the Government bonds had been placed, I had frequent occasion to give information respecting these railways, as to their importance for the prosperity of the Province, the necessity which existed for their construction, the grants made by the Legislature in aid of their being built, etc., which, I feel sure, removed some prejudices against them, and did good otherwise.

Mr. Speaker, knowing all these things, and others which I need not weary the House by alluding to, I acquiesced in making the payments referred to. I well knew that the stoppage of work on these railways would have rejoiced the hearts of some; but would have given a death blow to any hopes of negotiating a loan in England for years to come, and ruined the contractors and the companies as well; and paralized the efforts of the Legislature to a great extent in these and similar enterprises in our Province for a long time to come. I accept, Mr. Speaker, to the full, my responsibility in this matter. I should have been wanting in my duty to this House, which has done, and is doing, so much to aid railways, and to the country, which has sanctioned and approved of the liberal railway policy which is in force to-day,—if I had hesitated, in connection with my late colleages in the Government, to come to the relief of these companies in their time of need. It has been said by a certain class of persons amongst us, that the Government acted against the law in the payments referred to, without first having a report from the Government engineer, which the law requires. Mr. Speaker, such is not the case; the law, in so far as these roads are concerned, says nothing as to a report from a Government or any other engineer, before any money shall be paid. When the Lieutenant-Governor in Council is satisfied that the works are progressing and contracts made in good faith, financial arrangements made, &c., money may be advanced. The Government fully intended employing an engineer; but having failed to do so, acted on the best information possible. Since then, the Government engineer's reports bear out fully, that no risk was run by the Government of the Province in the course adopted.

Mr. Speaker, if the Government, in view of what they knew of the difficulties these companies had to contend with, of the opposition of certain parties and corporations to the construction of these roads, with the knowledge of the deep interest taken by members of this House in these and similar railway operations, of the anxiety felt by the whole people of this Province in the success of railway enterprises, and the necessity of showing abroad that the Government and people of this Province had faith in its railway policy. I say, in view of all this knowledge, if the Go-

vernment had failed to act, they would have richly deserved the censure of this House to the fullest extent. A failure to act would have been hailed with delight by certain parties who would gladly see these railways prove a failure, and who would have found equal fault with the Government for non-action, which they now find for the action taken. (Hear, hear.)

I regret, Mr. Speaker, that the law does not give to the Lieutenant-Governor in Council the power to come to the aid of other railways in a like manner, now struggling against every possible difficulty, from open enemies and lukewarm friends, till such time as 25 miles of road are built and equipped, and ready for public use. I have to apologize for this digression; but could not help alluding to the subject in defence of the late Government, and in the public interest.

I have no great progress to report to the House since the last session, respecting the division of the assets belonging jointly to the Provinces of Ontario and Quebec. There has been some informal and unofficial correspondence on the subject; but the absence of the Honorable Treasurer of Ontario, and my own, in England, on business, prevented any definite action. I hope that during the recess of the Legislature, we may be able to accomplish more than we did last year. (Hear, hear.)

REVENUE.

I now come, Mr. Speaker, to the receipts of the last fiscal year. As I have mentioned, they exceeded by a considerable amount my estimates. This I expected. It is more pleasant to have to report an excess of receipts than the reverse. I like to err on the safe side. (Hear, hear.) I shall not go into details of receipts and expenditure as I have formerly done; but shall content myself with giving a summary of the principal items on both sides of the account. Hon. members can easily, from the Public Accounts, supply what details may be required for all practical purposes.

Dominion: on subsidy, interest on Trust Funds, and special subsidy for Immigration..... $1,031,690 91

Crown Lands	$ 625,206 90	
Less notes not due or not paid	121,023 61	
	$504,183 29	
Add notes deducted as above last year	37,957 38	
And overpaid amount	5	
		542,140 72
Law and Registration Stamps		131,920 41
Law Fee Fund & Building and Jury Fund, (exclusive of stamps) and including $10,000 received from the Trustees of Morrin College for old Gaol, Quebec		34,304 74
Montreal Court House, exclusive of stamps		2,078 75
Licenses (tavern)		141,597 72
Marriage licenses		7,482 00
Education Receipts		10,991 14
Provincial Police from Quebec City for year		18,066 90
Municipal Loan Fund		14,737 73
Official Gazette		16,578 79
Interest		52,239 24

MISCELLANEOUS.

Proceeds of sale of lands adjoining Montreal Court House	$1,000 00	
St. John's Lunatic Asylum	676 50	
Fines and penalties	1,118 40	
Quebec Fire Loan	4,117 46	
Township of Windsor, in trust	1,436 49	
Sale of Statutes	87 85	
Fees on Private Bills	2,888 24	
Proceeds of House of Correction, and City contribution to Gaol guard Montreal	8,196 74	
Casual Revenue	1,722 82	
Dorchester Bridge Loan Sinking Fund	450 00	
		21,694 50

Refunds	15,651 16
Total receipts for year	$2,041,174 71
On hand, 30th June, 1873	948,001 43
Grand total	$2,989,176 14

EXPENDITURE.

I now come to the expenditure for the past year.

It will be found that, notwithstanding our large payments on works of a permanent character, and on account of Railway Subsidies, the amount in the Treasury exceeded that of the previous year by over $100,000. Means must be taken to reduce our annual expenditure, more especially as I fear, on account of the stagnation of the lumber trade, our receipts this year and next will be considerably diminished, and I am sure the House will see the propriety of this course and be moderate in their demands on the public purse.

We have expended last year on

Legislation		$173,292 98
Civil Government		146,766 41
Administration of Justice, Police, Reformatories and Prison Inspection		469,479 21
Education, Literary and Scientific Institutions, Arts and Manufactures		320,166 07
Agriculture, Immigration and Colonization		242,072 75
Public Works and Buildings		161,147 42
Charities, including Beauport Asylum ($137,800 54), Reformatory and Industrial Schools		218,224 85
Official Gazette		10,147 28
Crown Lands Expenditure, including Registration Service		128,574 82
Railway Subsidy to South Eastern Railway		38,700 00
SUNDRIES.		
Miscellaneous	$ 13,304 36	
Municipalities Fund	1,413 00	
Licenses, Stamps, &c	2,309 00	
Township of Windsor, in trust	1,436 49	
		18,462 85

Making the total expenditure for the year paid by warrants through the Treasury		1,927,034 64
To which must be added amounts paid by Sheriffs and Collectors of Revenue out of their collections		25,134 23
As well as amounts credited Municipal Loan from the Dominion; this amount is credited the Province by the Dominion Government in open account		11,516 82
And also Warrants outstanding 30th June, 1873		28,909 19
		$1,992,594 88
Less-Warrants outstanding 30th June, 1874		54,822 84
		$1,937,772 04
So that taking the total receipts during the year with the amount in the Treasury on 30th June, 1873		$2,989,176 14
And deducting the total expenditure		1,937,772 04
Leaves in the Treasury		$1,051,404 10
Disposed of as follows :—		
Union Bank of Lower Canada		$100,000 00
Metropolitan Bank		125,000 00
Jacques Cartier Bank		100,000 00
Eastern Townships Bank		130,000 00
City Bank		75,000 00
Bank of Montreal		150,000 00
Special deposits bearing 6 per cent		$680,000 00
Bank of Montreal	$315,025 54	
Union Bank	24,167 65	
Metropolitan Bank	18,667 24	
La Banque Nationale	13,543 67	
Ordinary deposits		371,404 10
		$1,051,404 10

I next come to the Judicial Deposit Account, an entirely different account from our General Receipt and Expenditure Account.

The moneys deposited on judicial processes in our Courts, are kept distinct from Provincial funds, as they are held in trust, for suitors, and payable on demand according to judgments rendered in the various Courts of the Province. The keeping of these moneys and the accounts, with the various depositors, individually, and with the respective districts and offices, imposes a large amount of additional work on my Department, but the system works well, is satisfactory to the country, and ensures safety to the public, and relieves judicial officers from great responsibility in keeping monies in their possession.

JUDICIAL DEPOSITS.

35 Vic., cap. 5, and 36 Vic., cap. 14.

	$ cts.	$ cts.	$ cts.
Amount deposited previous to 1st July 1873		827,854 97	
do deposited year ended 30th June, 1874		512,384 89	
Total amount deposited		1,340,239 86	
Amount paid previous to 1st July, 1873	558,761 55		
do do during fiscal year ended 30th June, 1874	602,890 86		
Total paid on deposits		1,161,652 41	
Balance on deposits			178,587 45
Interest accrued to 1st July, 1873		14,655 29	
do allowed by Banks for fiscal year ended 30th June, 1874		13,718 02	
Total interest		28,373 31	
LESS.			
Amount paid previous to 1st July, 1873, as per statement published	7,120 87		
Amount paid during fiscal year ended 30th June, 1874:			
Refunded administration of justice:			
For proportion of Auditor's salary.... $400 00			
Clerk's salary, 1st July to 30th Nov., 1873, at $1,200 per year..... 500 00			
Clerk's salary 1st Dec., 1873, to 30th June, 1874, at $1000 per year..... 583 33			
Books, forms, printing, &c..... 188 27			
$1,671 60			
Refunded Treasury Department contingencies for postages..... 500 00			
Amount paid under the law to Sheriffs, Prothonotaries, &c..... 2,726 08			
	4,897 68		
Total charges against interest		12,018 55	
Balance of interest			16,354 76
			$194,942 21

Balance at credit of Judicial Deposits in the following Banks :	
Union Bank, Quebec	$59,004 09
Do Three Rivers	4,814 29
Do Ottawa	633 56
Merchants' Bank, Sorel	2,702 41
Do St. Hyacinthe	1,280 63
Do Beauharnois	1,256 87
Do St. John's	3,459 71
City Bank, Sherbrooke	8,780 66
Eastern Townships Bank, Sherbrooke	1,713 89
Do do Cowmansville	9,444 19
La Banque Jacques Cartier	101,851 91
	$194,942 21

REVENUE FOR 1875-76

I now come to the estimated revenue for the next fiscal year.

It is based principally on our previous receipts, and I hope, will be exceeded somewhat by our actual receipts, and first:

From the Dominion Government $1,014,000 00

This amount is composed of the subsidy payable under the B. N. Act of 1867, and interest on certain trust funds in their hands belonging to us.

Crown Lands—Estimated by the officers of that department at $550,550 00

I hope this sum will be realized. I must confess the estimate is large in view of the lumber trade. Possibly this depression will affect the current year's receipts, more than the next, as it is hoped, that the present stagnant state of this important industry may be early succeeded by better demand, and better prices, for lumber than obtained just now.

Then follow—

Law and Registration Stamps	$132,000 00
Education; Normal Schools	8,500 00

Reformatory St. Vincent de Paul. (This amount is from proceeds of property sold when the Reformatory was changed to Montreal).....	5,000 00
Licenses of various kinds, hotel, shops, &c.....	150,000 00

I must acknowlege that there is great difficulty in making the law in such a shape as to regulate the traffic in liquors as it should be. I have altered the law three or four times as respects the city of Montreal, in each case, so as to meet the views of those intrusted with the proper working of the License Act. (Hear, hear.) Last session it was amended, to meet the wishes of the people in that city, as was supposed in such a way as to limit, and shut out improper parties from obtaining Licenses, and to prevent illicit selling of liquors, yet still complaints are made as to the inefficiency of the law to accomplish their ends. (Hear, hear.) It may be prudent to endeavour to meet the difficulty by still further altering the law as respects Montreal.

Then comes House of Correction and Gaol guard Montreal..... ...	$8,000 00
Municipal Loan Fund.....	40,000 00
Official Gazette.....	18,675 00
Casual Revenue.....	2,000 00
Sale of Statutes, printing laws and fees Private Bills	3,000 00
Police.....	30,000 00
Rent in Montreal.....	500 00
Gaol for Females in Montreal for City Corporation as per agreement.....	32,000 00
Law fee fund, Building and Jury fund and Court House tax.....	25,000 00
Interest on Bank Deposits.....	175,000 00
Making the estimated Revenue to be.....	$2,194,225 00

This amount I hope to receive, and is exclusive of whatever sum may be in the Treasury at the end of the present fiscal year.

EXPENDITURE.

I now come to the estimated expenditure for next year, which is expected to cover the actual expenditure, unforseen contingencies excepted.

Hon. members will bear in mind, that voting the amounts asked for, does not necessarily involve their being spent. So much of the various amounts granted by the House, as are not absolutely required for the public service, will be retained in the Treasury, and written off at the close of the year. It having been found that the amount voted by the House, for the current year, is not enough to meet the demands for certain services, and although the law permits the issue of special warrants, in certain cases, I prefer bringing in a supplementary estimate for this year's service for what will be required, to complete the year, to the 30th June next.

To supply deficiencies on

II. CIVIL GOVERNMENT.

Public Departments salaries		$ 3,000 00

III. JUSTICE.

Administration of Justice	$32,000 00	

IV POLICE, &c

Police	3,350 00	
Prison Inspection	250 00	
Reformatory, Montreal	6,200 00	
		41,800 00

V. IMMIGRATION, &c.

Immigration	20,000 00	
Colonization roads		
1st class	18,345 00	
2nd class	13,598 02	
3rd class	3,579 91	
		$ 55,522 93

IX. COLLECTION, MANAGEMENT AND OTHER CHARGES ON REVENUE.

Registration Service	$17,500 00	
Boundary Line, Quebec and Ontario,	4,000 00	

Crown Lands, General Expenditure for Agents' disbursements (bush ranging)	6,000 00	$27,500 00
Rents, Insurances and Repairs of Public Buildings:		
Spencer Wood		3,000 00
Lunatic Asylum, Montreal Sisters of Providence		8,000 00
Making in the whole		$138,822 98

I now come to the proposed Expenditure for the next fiscal year, which corresponds with the printed Estimates submitted to the House.

In some branches of the public service these will be found larger than formerly, to which I will call attention as I proceed in my remarks.

It will also be observed, that, in my statement, I mention the whole proposed Expenditure, whether votes are required or not, in order that the House may know the full amount necessary for each service.

Part of the Expenditure having been already voted in various statutes, will not be asked for again; and that portion requiring votes are numbered from one consecutively in the Estimates given to the House in conformity with the act passed at a former session of the Legislature.

I. LEGISLATION.

Legislative Council, covering indemnity to members, mileage, salaries and contingent expenses	$ 41,507 00
Legislative Assembly for similar services	100,000 00
Expenses of Elections	30,000 00
The general elections under the Constitutional Act, coming off this year, entails a larger expenditure than usual, for this service.	
Parliamentary Library	5,000 00
Clerk of the Crown in Chancery, salary and contingencies	800 00

Printing, binding and distributing laws.....	5,500 00
Law Clerk, salary and contingencies.....	4,000 00
Making in the whole under the head of legislation.	$186,807 00

II. CIVIL GOVERNMENT.

Public Departments, salaries and contingencies.....	145,915 00

The items which make up this amount, will be found in the printed statement accompanying the Estimates, and are in excess of last year, by about $2,500.

III. ADMINISTRATION OF JUSTICE, &c.

Administration of Justice.....	$371,110 00
Police.....	66,000 00
Reformatories.....	44,500 00
Prison Inspection.....	3,700 00
Making in all for Justice, &c.....	$485,310 00

With respect to the items of Justice, Police and Reformatories, I have frankly to state that they are very large, and have been steadily increasing since 1867, notwithstanding every effort to keep down the expenditure.

The Government intend examining thoroughly into the Administration of Justice, with the view of ascertaining, if equal efficiency cannot be obtained at less cost to the country. It is certain also, that there are some officers in this Department very inadequately paid for their services, while others may be found perhaps overpaid. Sheriffs, for instance, in several districts, have not enough to live on decently, not to say respectably from their salaries. District Magistrates also, have represented that their salaries are inadequate for their respectable support, and the attention of the Government frequently called to this state of things. The large expenditure, however, required for Justice has prevented the Government from granting an increase, until the whole subject is examined in all its details, by the law officers of the Crown,

and means devised to render the administration of Justice more effective, if possible, and at the same time enquire if any way can be found to grant increased remuneration to those engaged in this important service.

The same remarks apply to the Police expenditure in so far as increased cost is concerned, and means must be adopted to lessen the expense in one way or other, which at present exceeds what the Province can legitimately pay. One thing is clear, if local contributions are not increased, the number of police must be diminished. The attention of the Government will, therefore, be directed to the whole system of the administration of Justice and Police, in order to ascertain whether equal efficiency, at least, cannot be maintained, and at less cost to the Province.

The next service is

IV. EDUCATION.

Superior Education proper	$ 71,000
High Schools Quebec and Montreal	2,470
Compensation to Roman Catholic Institutions	4,940
Common Schools	155,000
Schools in Poor Municipalities	8,000
Normal Schools	46,000
Salaries of School Inspectors	24,000
Books for Prizes	2,500
Journals of Education	2,400
Superannuated Teachers	6,000
Schools for the Deaf and Dumb	12,000
Total Education	$334,310

It will be observed that the grant to School Inspectors is somewhat less than last year, and that to Normal Schools a little larger.

Representations have frequently been made to the Government, that the salaries of Normal School Professors, were too low for the class of gentlemen suitable for such professions, and that to make these valuable institutions as efficient as they should be, the very best teachers should be procured. In order to secure the services

of such gentlemen and retain the present staff of efficient professors, larger salaries must be paid. It was proposed that the tuition fees received in several Normal Schools should be distributed amongst the professors to increase their salaries ; but this was objected to, as the consent of the House had not first been obtained.

I therefore retain, amongst the estimated receipts, an amount to be received from these institutions, and bring the propriety of dealing more liberally with the Normal School professors, before the House for adoption, feeling sure that the justice of the claim will be conceded by the House.

I consider the importance of these institutions, in training teachers for our Academies and Common Schools, cannot be overestimated, and their importance cannot be too much appreciated by hon. members and by the public.

Next come Literary and Scientific Institutions.

These are the same as last year, with the exception of the grant to the Advocates' Library, Quebec, not given this year, and a grant of $500 to the Institut Canadien of Quebec.

Medical Faculty, McGill College, Montreal	$750
School of Medicine, Montreal	750
Natural History Society, Montreal	750
Montreal Historical Society, Montreal	400
School of Medicine (Bishop's College), Montreal	500
Numismatic and Antiquarian Society, Montreal	100
Literary and Historical Society, Quebec	750
Institut Canadien, Quebec	500
Aid towards publication of *Le Naturaliste Canadien*, Quebec.	400
Academie de Musique, Quebec	100
Amounting to in all	$5,000

ARTS AND MANUFACTURES.

Board of Arts and Manufactures	$7,500

It will be noticed, by the House, that I have added, to this grant, fifty per cent over last year, towards encouraging the esta-

blishment of Schools of Art and Design. I believe these schools are doing a good work in the Province, and supplying a want which other schools cannot supply. They are attended by young men desirous of perfecting themselves in the various Departments of Arts and Manufactures, to which they have devoted themselves. Many attend in the evenings, who are necessarily employed earning their livelihood during the day time, and who, without these schools must remain ignorant of the first principles of their trades, and are prevented from taking prominent positions, for want of just such knowledge as they acquire at these schools. It is to be hoped that private contributions may be obtained towards the encouragement of these institutions, and that hereafter, we may be able to do a little more in this House to the same end. (Hear, hear.)

V. AGRICULTURE, IMMIGRATION AND COLONIZATION.

Agricultural Societies	$50,000
Board of Agriculture	2,000
Stone-breaking Machines	2,000
Agricultural Schools	2,400
	$56,400
Immigration and *Repatriement*	50,000

COLONIZATION.

Colonization Societies	$12,500	
" Roads, 1st class	40,000	
" 2nd "	12,000	
" 3rd "	8,000	
To assist the establishment of Beet-sugar Manufactories	5,000	
		77,500
Making for Immigration, Agriculture and Colonization...		$183,900

It will be noticed here, that the Government intend to apply a portion of the amount asked for immigration and *repatriement*, towards preparing locations on Crown Lands, by building houses and clearing a few acres of land on each 100 acres, in order to encourage those who wish to return from the United States to re-

main in the Province. (Hear.) It is hoped this expenditure will answer the purpose intended.

I now come next to

PUBLIC WORKS AND BUILDINGS.

Rents, Insurances, Repairs of Public Buildings.....	$ 42,680 00
Inspection and Surveys.....	4,000 00
Public Departments (on account).....	100,000 00

Plans and specifications are almost ready, to show what is intended in the erection of departmental accommodation, and will be submitted to the House. This amount, as well as several items of a like nature, although requiring to be voted, will come out of the surplus of moneys in the Treasury, and should not be paid out of annual revenue; but rather belongs to capital account. When the buildings are completed, of course our large annual expenditure, for rent and repairs, will cease, and offset against the interest on the amount spent.

Bridge across the Ottawa River to Calumet Island, provided the Township in which said bridge is situated, furnish an amount sufficient to complete the bridge.....	$ 4,000 00
Rent of CourtHouses and Gaols, Insurance and Repairs.....	27,887 00
Montreal Gaol, for construction of a new out-building and a chimney.....	5,000 00
Gaol for Females, Montreal, provided the city pays one quarter of the cost.....	40,000 00
Bonaventure Court House and Gaol, for construction of a residence for guardian.....	1,000 00
Gaspé Court House and Gaol, for fence for yard....	500 00
Court Houses and Gaols, new districts, for fireproof Safes.....	10,000 00
Total Public Works and Buildings.....	$235,067 00

VII. CHARITIES.

Lunatic Asylums	$159,184 00
Belmont Retreat, Inebriate Asylum, Quebec	700 00
Marine and Emigrant Hospital, Quebec	2,666 67
Lying-in Hospital, Quebec	1,333 33
Miscellaneous Charities (p. list)	39,890 00
Reformatory Schools	6,940 00
Industrial Schools	6,000 00
Making in all under head of Charities	$216,714 00

VIII. MISCELLANEOUS SERVICES.

Quebec Official Gazette	$11,200 00
Arbitration under B. N. A. act, 1867	2,500 00
Miscellaneous	20,000 00
	$33,700 00

IX. COLLECTION, MANAGEMENT AND OTHER CHARGES ON REVENUE.

Municipalities Fund (C S L C., Cap. 110)	$ 5,000 00
Registration Service (Cadastre)	50,000 00
Surveys	24,000 00
General Expenditure C Lands	60,400 00
Stamps and Licenses	4,000 00
	$143,400 00
Interest and Sinking Fund on Bonds	240,000 00
To cover special warrants for expenditures already made during last fiscal year	66,822 00

SUMMARY OF AMOUNTS TO BE VOTED.

Legislation	$128,343 00
Civil Government	145,915 00
Administration of Justice	415,460 00
Education	346,810 00
Agriculture, Immigration and Colonization	121,400 00
Public Works and Buildings	235,067 00

Charities	216,714 00
Miscellaneous Services	33,700 00
Charges on Revenue	143,400 00
	$1,786,809 00

I may mention here that the other day the hon. member for Argenteuil stated in the House, that under the able management of the Treasurer, as appeared from the statement of receipts and expenditures since July last, that we were running behindhand for the past six months about $240,000. I have much pleasure in informing the House that the hon. member was mistaken in his figures.

The expenditure from 1st July, 1873, to 31st December, 1874, was	$1,056,617 23
The expenditure from the 1st July, 1872, to 31st December, 1873	1,037,796 21
Making an increased expenditure this year of	$18,821 02
But our receipts for the same period were	$969,425 44
Receipts for the former to December 31, 1873	922,741 48
Making our receipts larger than last year by	46,683 96

And, further, we had in the Treasury the 31st December last, $155,170.36 more than the 31st December, 1873. This does not look much like running behindhand, for six months, $240,000. Railway funds, and deposit on Tannery land not included. (Hear, hear.)

The House will expect some information as to the success of the Provincial loan in aid of railways. (Hear, hear.)

I went to England last summer for the purpose of placing the loan on the English market, if favorable terms could be obtained. I found the rate of interest very low, at the same time there was an indisposition manifested, in some quarters, to invest in permanent securities. I found great difficulty in introducing the loan,

as the Province of Quebec was not known, and people in England, did not seem to understand our system of Dominion and Local Governments. I was surprised at finding so much ignorance respecting Canada and Canadian securities.

The fact that this was the first loan we had offered in the English market, and that it was in aid of railway construction, rather militated against placing our bonds.

I found also that certain parties who ought to have known, and did know, our true position, instead of assisting to keep up Canadian credit, did all they could to depreciate our bonds, stating, firstly, that this Province had no right, under our constitution, to issue a loan in aid of railways; that there were railways enough in Canada, already, to do the business of the country for twenty-five years to come; that they would yield no return, and that the people of this Province were so enthusiastic about fancied railway accommodation being required, they were reckless as to the means employed to obtain additional railways.

However, with the assistance and active co-operation of the Bank of Montreal and the firm of Morton, Rose & Co., I succeeded in placing the loan on very favorable terms for the Province, as every person acquainted with the facts of the case will testify. (Hear, hear.) It is evident that objections have been taken to the loan, with the view to implicate the present Government in the acts of the former, and aimed principally at myself, as having been in the former administration as well as the present. For my acts, in the late administration, I am quite ready to assume my share of the responsibility, and prepared to justify my conduct. And I defy any one to show that I have neglected the interests of the Province, or made their interests subservient—to my own. (Hear, hear.)

The objection taken to this loan may be comprised under three propositions :

1st. That there was no need to obtain a loan in aid of railways, because the Government had $919,000 at command, which might, and should, have been paid to railway companies, before negotiating any loan.

2nd. That bonds should have been given to the respective railway companies, instead of the proceeds, and thus saved the discount on the bonds to the Province.

3rd. That the bonds loan sold at too low a figure, causing great loss to the Province.

These contain the substance of propositions which were laid before the House, and which I will endeavour to answer. As to the first proposition, that there was no necessity for selling the Government bonds, because the Government had nearly a million of dollars, at command, to pay Railway subsidies. I have to remark, that this proposition is founded on the assumption that the Government had the right to pay, out of the surplus funds on hand, subsidies to railways, from time to time, as required. This assumption is, however, directly contrary to law. The Government had no right under the law to pay out a dollar of the money on hand to railways, because the law defined what should be paid. Either the bonds at par or the proceeds thereof, as the Lieutenant-Governor in Council might decide. The amount payable to each railway company, and the fund from which payments were to be made, were laid down in the Railway Aid Act of last session, and the Government could not, therefore, encroach on the surplus, without taking a serious responsibility upon them in so doing.

But, Mr. Speaker, even if the Government had the right to encroach on the surplus in the Treasury, for railway payments, till the whole surplus was expended, I ask any reasonable man what our bonds would have been worth to the Province, whether sold in the English market by the Government, or handed to railway companies to sell, if it appeared from our public accounts that our Treasury was empty—had no surplus, and that, in order to make good the obligation entered into by the Province, we were forced on the market to procure money at all cost, and could not show that we had the means at command out of our surplus, if necessary, for a few years to meet our interest, or partially so at least if any unforseen crisis in our affairs rendered this necessary. Why, Mr. Speaker, if the Government had so acted, even

if the law authorized them, which it did not, they would have deserved the censure of this House and the country, for manifest negligence and want of forethought and business capacity, to have allowed such a state of things to exist.

The House will recollect that, when the act of last session was passed, it was well known what the surplus in the Treasury was. The Public Accounts contained the amount, and where it was placed. If the House had intended this surplus to have been expended in payment of railway subsidies, it would have said so in the act, but it said no such thing. The law said the subsidies were payable in bonds or their proceeds, to the railway companies. (Hear, hear.)

Mr. BELLINGHAM—Would the Treasurer read the section of the Act ?

Hon. Mr. ROBERTSON—Had not an English copy at hand at the moment.

Mr. BELLINGHAM—Then read the French !

Hon. Mr. ROBERTSON—It is hard enough for me to make you understand in English. What would it be were I to try it in French ? (Laughter.)

Mr. BELLINGHAM here read the section of the act to which he referred, contending that it excluded the railways in question.

Mr. BEAUBIEN—If the Hon. member would read the 24th section he would find the contrary.

Hon. Mr. ROBERTSON (reading from an English copy just handed to him) conclusively showed that all the railway companies were included. He went on to say :—It was a wise precaution for the Legislature to adopt, to be ready for any emergency which might occur, either from accident or otherwise, and if the course suggested by some hon. members had been followed, instead of being prepared to fulfil our engagements to railways, we would have had to borrow on much harder terms, made much greater sacrifices, and injured the credit of the Province. To

have gone on the English market with bonds, and nothing to show in our Treasury, would have been foolish in the extreme, even if our money had gone mostly for permanent works.

Another point Mr. Speaker—There were parties in England interested in railway enterprises. (Hear, hear.) Some wanting to float their bonds, others to procure rails, and others to secure advances, on the strength of the Government subsidies and the contributions of municipal bodies. What answers did they meet with ? Why—that some of these Municipal Corporations would never pay their money. That their by-laws were possibly illegal —that they were being contested in courts of law, that possibly a change of Government would take place and a different railway policy be adopted, that the Province of Quebec was unknown in the English market—that it had no right to borrow money for railways—that it could not pay its interest. Those, and many other statements, were industriously circulated, in London, by parties who had a direct interest in preventing the success of railway enterprises in Canada, and almost entirely prevented negotiations, except on ruinous terms.

The placing of the Quebec loan put a stop to their rumours, showed that the Government were preparing, beforehand, for liabilities to fall due, as any prudent man in his business would, and not waiting till forced to borrow money for immediate purposes. (Hear, hear.)

I have no hesitation, Mr. Speaker, in saying that the placing of the loan of the Quebec Government in the way it was done, will be the means of enabling Railway Companies to raise money to better advantage than could possibly have otherwise been done, and be the means of their obtaining more money for the railway bonds, and compensate them three times over for the loss on their Government bonds. (Cheers) Parties now advancing money on railway bonds, know that the Government subsidies are ready—that no opposition can prevent the sale of the Provincial bonds. That being done, confidence will be infused into capitalists, and railway companies be enabled to procure money to prosecute their works. I knew of several negotiations that would have

fallen through, but for the fact, that the Government had placed their bonds, and were ready to fulfil, on their part, what had been agreed upon.

One word here, Mr. Speaker, personal to myself. It has been hinted at, I understand, that I, while in London, made use of my having the sale of the Government bonds, to dispose of at the same time, some bonds of a railway in which I am interested—that is, I accepted a less price for the Government bonds, on condition that a certain part of the railway bonds were taken at the same time. To this I would say, such rumors are completely and entirely unfounded in truth. I never said a word about any railway bonds till after the Quebec Loan was placed, or sold a single dollar of bonds, or negotiated for the sale of them, nor has a single dollar of bonds of the Sherbrooke, Eastern Townships and Kennebec Railway been sold in London or anywhere else, to my knowledge. I believe this House has not so little faith in my performance of a public duty, as to suppose that I was capable of even thinking of injuring the Province in any such way, or of using my official position to advance private ends.

I think I have shown, that in so far as the Government acted, they had no alternative but to pay either bonds or their proceeds to the railway companies, and that they could not lawfully take from the surplus on hand moneys for that purpose. (Applause.)

I now come, Mr. Speaker, to the second proposition, that bonds should have been given to railway companies instead of money, as the companies could have sold the bonds to better advantage and saved the discount.

What would have been the effect, Mr. Speaker, if the Government had decided to give the bonds to railway companies? We should have been obliged to pay out these bonds in sums of $20,000 to $100,000, to nearly a dozen railway companies, to be handed over to contractors, from time to time, under the law. These contractors, all more or less necessarily in debt to the banks or private parties, must have paid out the bonds, in liquidation of their

debts, at just such prices as their creditors might seem fit to give. It is well known that, in some cases, contractors have been obliged to pay a high rate of interest for funds on the strength of the Government subsidy, and the same would apply if bonds had been given instead of money. It would have been utterly impossible to obtain a quotation in the English market for our bonds, if they had been disposed of to railway companies, and the effect would have been the depreciation of their value wherever known or introduced.

Another point which parties conversant with such loans well know, that a part of the loan could not have been sold at any reasonable price, unless the parties bringing out the loan, had the control of the whole, for a time at least. When a banking house or syndicate of bankers bring out a loan, they do not expect to make any profit out of the first bonds which may be sold, as, to keep up the issue price, they frequently have to re-purchase the same bonds over and over again; but eventually, by having the whole issue under their control, they succeed, after a time, in establishing a price which remunerates them for the holding of the loan for a time, and the large expenses connected with successfully floating a loan on the English market, and obtaining quotations on the Stock Exchange. No banking house will take part of any loan to dispose of, except in connection with others who have like interest in keeping up the price of the bonds, otherwise the necessities of parties having part of a loan, might oblige them to put the securities on the market, to the ruin of parties having the balance.

Comparisons have been made, by some parties, as between the Dominion five per cent bonds at 103 to 106, and our bonds at 98 to 99 per cent; but the parties who wish to belittle and depreciate the price obtained for our bonds at present, either did not know or purposely withheld the information that these very bonds of the Dominion, sold in 1869 and 1871, at from 95 to 97 per cent, and were even placed on the English market at a less price than ours in July last; but the credit of these bonds has been gradually getting better, owing to the prompt payment of interest, and as Canada became better known. Another thing

which causes these Canada bonds to bear a high figure at present, is, that the Dominion Government is obliged to invest the sinking fund in their own bonds from year to year, no matter what price they go to. As the bonds become scarcer, being in fewer hands, the price goes higher and higher. The holders well knowing that a certain part must necessarily, under the law, be bought up every year, and as the time for the final redemption draws nearer and nearer, the price will go still higher. The price, at which such bonds are quoted, does not therefore form any criterion as to their value. Exceptional arrangements as to their redemption give them an exceptional value. If not, the pretension, set forth against the Quebec loan, would apply equally against the late loan by the Dominion.

Another point in this connection is, it is not fair to take even the present quotation of Quebec bonds, and then say there is a great loss between the price obtained and the present selling prices. The present good standing of our bonds to-day is to be attributed mainly to the efforts of Sir John Rose and the Bank of Montreal in London: the respectability of these firms—their well-known standing as first class institutions, conducted by first class business men, honorable and straight-forward in all their dealings, gave a character to our bonds, which no other institution in London could have improved. They knew what they undertook, and that although our position and ability to pay, were good, still that Quebec as a Province was unknown in the English market, that great expense and trouble would be caused them in floating the loan at such a high figure, and, to my knowledge, they had to buy back some of the bonds they had sold at a higher price than they obtained, to keep up their credit till such time as the public acquired information as to the character of the loan. I only do bare justice, Mr. Speaker, to Sir John Rose and the agents of the Bank of Montreal, when I say that the Province is indebted greatly to these gentlemen for their efforts to place our bonds well, in the English market, and I may add, that without their assistance I could not have done so well as I did. (Hear, hear.)

I consulted with other eminent bankers in London to whom I had letters of introduction, as to the loan and the probable price I would obtain, and in every case, and in all cases, I was told that all I could reasonably expect on any provincial loan, not known in the London market, for five per cent. bonds, would be from 90 to 92½ per cent, on their face. I am perfectly satisfied also, had I not succeeded in having the Quebec bonds placed among Colonial Government stocks in the Stock Exchange quotations, that the syndicate issuing the loan, would not have derived one-half the profit. No, not one quarter usually received on transactions of that nature. It is said that if the bonds had been given to the respective railway companies, the Province would not have suffered the loss of the discount; this is not the fact. No matter who got the bonds, the moment they were out of the hands of the Government, that moment the Province became liable to the interest and sinking fund on the full face of the debentures. If the railway companies could have sold the bonds at a higher figure than that obtained, then, I grant, that the railway companies would have been gainers by so much. No man will pretend any such thing who knows anything about such matters; that bonds given indiscriminately in small sums would have returned anything like so much to the railway companies. Thus the interests of the railway companies as well as the Government have been served by the transaction. In any case the liability of the Province is precisely the same, whoever sold or holds the bonds.

We have, Mr. Speaker, precedents of the working of the system, of a Government handing over their bonds to railway companies and contractors, instead of negotiating them themselves, and handing over the proceeds. In the United States it has uniformly resulted, in the price of the bonds being depreciated, to the injury of the credit of the Government issuing the bonds, and of the parties receiving the bonds in place of money.

We have in our Dominion, a specimen of the same thing. The 6 per cent. bonds of the Province of Nova Scotia, which had been given to the contractors of the Hudson and Annapolis railways, were at one time publicly advertised in London and *sold at a*

larger discount, to the serious injury of the general credit of the country. The Canadian Government afterwards, in view of this event, assumed to itself the right of paying the company in cash, instead of permitting the public credit to be jeopardised by the financial necessities which might at any time compel the company, or its contractors, to realize on the bonds, no matter at what price. One fact of this kind is worth more to a right understanding of the question under discussion, than dozens of theories of parties who are irresponsible, and do not understand financial questions.

Another case in point: the Government had the right, to give the contractors for the Prince Edward Railway, bonds or money, in the option of the Government, and the money was given instead of the bonds, in order that the credit of the Dominion should not suffer. In view of these facts the Government would have done very wrong in not negotiating their own bonds. (Hear, hear.)

I now come, Mr. Speaker, to the third proposition, that the bonds were sold at too low a figure, and did not realize so much as the Dominion loan.

As to this I have already, in discussing the other points, answered the objection. I never expected to realize a price quite equal to that the Dominion Government did for their bonds, nor did any other man who knew anything about finances or loans expect this. The Dominion has long been before English capitalists, the resources and credit of the Dominion were well known, and it would be as foolish to find fault with the Dominion loan because as much was not obtained for it, as the Government of England does on its stocks when offered on the market, as to institute comparisons between the Dominion and Quebec loans. But I pretend to say, and do say, that no province or government, as little known as Quebec, on its first appearance on the English market to negotiate a loan, did better than we did, and for every one which, under similar circumstances, did as well, I can show dozens who did much worse.

Mr. Speaker, I believe the people of this Province and this House, the railway companies deeply interested in the success of our loan, and a large majority of those not interested who understand financial questions and the difficulty of obtaining good credit in the English market, are perfectly satisfied with the results of my mission to England. (Applause.) I had no personal end to serve in trying to negotiate the loan, but I did wish to discharge my duty to the House and to the Province, and my best efforts were directed, to give such information to those who could assist me in the transaction, and through them the British public, in order that our true position might be known, and our credit established on a firm basis, and I humbly conceive I succeeded reasonably well in my purpose. (Hear, hear.) I had an opportunity in London, before my return, of meeting gentlemen intimately acquainted with the money market in England, and they, without exception, said that I had obtained a higher figure, by far, than they looked for, and in fact too high for the issuers to make anything for their trouble and expense.

The Manager of the Bank of Scotland, one of the largest banking institutions in Great Britain, and formerly at the head of two of the largest Banks in the Dominion, in a letter which I saw, said he could not do much in the sale of the Quebec Bonds, or recommend them, as the price was too high for investors to place money in them. Not but what they were a safe investment, but issued at so high a price, that parties could invest their money in securities which would yield better returns.

Parties in this country I have seen and and heard from, some of whom had frequently negotiated loans in the English market for the Canadian Government. These, without a single exception, said the price obtained was a good one, and that, for the Government to have given these bonds to any railway company to negotiate, would have been to depreciate the credit of the Province and produce less money for railway purposes. They all agree that the Government did right in negotiating their own bonds and not handing them over to the railway companies; and that the price obtained was a good one. Under all the circumstances, I conceive, Mr. Speaker, the House and the country are

satisfied with the result as respects the welfare and financial credit of Quebec. (Hear, hear.)

Another point in connection with our loan: It was industriously circulated in London that our law of last session was defective, as no particular amount was definitely fixed in the act which might be borrowed under it, and objections were taken by certain members of the Stock Exchange to a quotation being given. These objections were with some difficulty removed, and a quotation allowed by the Committee of the Stock Exchange to appear in the list of "Miscellaneous Stock." This I would not permit, and insisted that our bonds should be placed among "Colonial Government Securities."

To accomplish this, I had to prepare a statement, showing that the Government of Quebec derived its powers to borrow money, from precisely the same source as the Dominion Government, namely: the Imperial Parliament, for purposes within the scope of the jurisdiction of the Quebec Legislature, and that railway construction in the Province was within the scope of our powers, as set forth, in the British North America Act of 1867.

An appeal to the Secretary of State for the Colonies was made. He fully sustained our pretentions, and accordingly our bonds were quoted among Colonial Government Securities, which at once stamped a value upon them which years would have failed otherwise to do.

Here also Sir John Rose rendered valuable assistance, in fact, without him I should have failed in my efforts. Perhaps to this circumstance, as much as any other, may be attributed the present advance in the price of our bonds. I know Sir John Rose told me, that without this, no profit could have been made, by the syndicate which brought out the loan, on the amount to be fixed by them. I was quite aware that the business season was almost over, and that, if I wanted to place the loan to good advantage, no time was to be lost in doing so.

I think I have shown that the Government had no alternative, in order to meet the calls likely to be made for railway subsidies,

than to negotiate the loan, the law not allowing the surplus on hand to be used for that purpose, and that to have given bonds to the different railway companies, would have endangered the credit of the Province, and not have done as much in railway interests, as to use the bonds and pay the companies the proceeds; and that the price obtained for the bonds was a fair one, quite as much as, under the circumstances, could be expected.

I now, Mr. Speaker, say that the late Government acted wisely and in the public interest in the course they adopted, and say further, that I carried out to the letter, the provisions of the order in Council respecting the preparation of the bonds and their sale in London, and, in the deposit in various banks of the Province on interest till wanted for railway purposes, and on the whole transaction, acted upon, and carried out, the understanding had with my colleagues in the matter. I am perfectly satisfied that had I not closed the sale at the time and for the price obtained, the probability is, the transaction would not have been closed to-day, and that no such price could be obtained now as was then. As I expected, the interest rates for money soon became higher than in the beginning of July, and as things turned out on this side the water, if the loan had to be negotiated now, nothing like so good terms could be obtained, in fact, it is doubtful if any negotiation could be successfully completed. (Hear hear.)

I consider, Mr. Speaker, that the loss of the small discount, at which the bonds were sold—a smaller loss than could reasonably be expected—and not to be called a loss, because the bonds were sold, and the proceeds given, to the railway companies interested, was money well spent in placing the credit of the Province in the position it stands to-day in the English market. The efforts I made and succeeded in, being aided as I was, to the fullest extent, by Sir John Rose and the Committee of the Bank of Montreal in London, in having our loan placed on the stock lists amongst the "Colonial Governments," instead of "Miscellaneous Stocks," were, well worth all the loss which we sustained, and the future negotiators of the Local Government bonds will reap the benefit of my labours in this regard.

In endeavouring to have our loan placed where it ought to be amongst "Colonial Government Stocks," I knew I was not only doing good service for the Province of Quebec; but also for the other Provinces of the Dominion, and members of the other Provincial Governments, have not hesitated to tell me that they felt grateful for my services in their behalf, and that I was fighting other battles as well as our own. (Applause.)

I have, I fear, wearied the House with my remarks, but I thought it well that hon. members should have a full and frank statements of the facts relative to this subject, more especially as it was in a manner forced upon me. If any injury is done to the credit of the Province in consequence, the fault is not mine. If this House considers I have been to blame, in any way, respecting the negotiation of the loan—if hon. members think I neglected the interests of the Province, if they think that I deserve censure —I must bow to their decision. I am quite ready for any investigation, any enquiry—the more searching the better, I am willing my public acts should be judged upon their merits by those capable of understanding and judging of the difficulties of my position in London, and the manner these were met and overcome. I am willing also to allow the good sense and the intelligence of the people of the Province to pronounce as to my conduct, and abide by their decision.

There are parties in this House who have had to do with placing loans on the English market, and who know the difficulties to be met with in satisfactorily arranging such matters. Let them testify. One hon. member of this House (from Montreal centre) was in London at the time, and can speak of how other bankers considered the Quebec loan was placed. He will bear me out in saying that, without exception, those he met with, said that the price obtained was a large one, and that the Province had every reason to be satisfied. (Cheers.)

I now come, Mr. Speaker, to the

RAILWAY POLICY OF THE GOVERNMENT.

I shall not go into details, as opportunity will be afforded when the resolutions come before the House, of fully explaining the in-

tentions of the Government. Some hon. members have expressed dissatisfaction, at the Government, for not bringing down their railway policy sooner; but it will be remembered that certain companies had until the 1st January, to make their option, as to whether they would take lands or cash subsidy, and the Government had also to obtain information, as to the progress made upon the respective roads, in order to decide as to the course to be pursued.

It is perfectly clear, that to encourage the construction of railways, the aid given must be sufficient to enable the companies to obtain other assistance, in order to be able to go on and complete these roads. The difficulty in arriving at a proper conclusion as to what aid to grant, is, to reconcile the necessities of the railway interest with our financial resources. It would be quite easy to grant sufficient aid to railways if we had plenty of means, or were we to shut our eyes to future consequences and rush blindly into debt, leaving our successors to take care of themselves. Such is the anxiety and feeling respecting railway extension in the Province, that a momentary popularity could easily be secured, to any party, or Government, advocating large subsidies in aid of railways. The business of the Government, however, is not to yield to popular pressure where this is likely to be injurious to the Province; but to assist, and, keeping the permanent interest of the State in view, yield only so far as this interest permits.

Last year I divided the Provincial railways into three classes: 1st. The roads from Quebec to Deep River, which had special legislation in their favor; 2nd, railways entitled, upon the fulfilment of certain conditions, to cash subsidies, etc.; 3rd, railways which had the option till 1st January, of choosing either lands or money.

The first class mentioned, remains as it was last year, with no alteration in the grant of lands or subsidy; but an additional grant of $30,000 in aid of building a railway bridge across the Ottawa River, between this Province and Ontario, in order to secure a connection with the Pacific Railway in the County of Pontiac,

at La Passe at Deep River, or some intermediate point as the case may be.

In the second class of this year, which includes two roads formerly in the third class, the Quebec and Lake St. John and the St. Francis and Megantic International—the directors of which companies surrendered their land grants and chose a money subsidy instead; these are placed amongst the railways to which the Government propose to grant an additional subsidy, above that granted last year, payable either in five per cent bonds of the Government at par, or the proceeds thereof, as provided in the Act of last session.

The third class is comprised of the railway companies which have the subsidy of last year continued to them. Some of these have not strictly complied with the law; but the Government thought it better, to give them another year, in which to comply with the law, rather than cut them off from the benefits of the Subsidy Act. In this class also, will be found the Baie des Chaleurs road, which was entitled to a land grant or $2,500 cash per mile, the directors having preferred to keep the lands, the Government propose to grant an additional money subsidy.

I am quite aware, that the policy of the Government, will not give satisfaction to all those interested in railway construction. I am free to acknowledge it does not quite satisfy myself; but after thinking the matter over in every possible way, and calculating how to grant such aid as I would have liked to do, and only checked from time to time in finding myself exceeding what I believed the Province was able to bear, as a debt even for railway purposes, I was obliged to begin again and endeavor to do as equitably as I could, and the result I have briefly stated.

The amount of indebtedness the policy will bring on the Province, if all the railways are built, will be about six millions of dollars, in the whole.

As I have frequently stated, I will not consent to go beyond what I consider the Province can bear, and I may mention here, that if we had not succeeded in obtaining the Dominion Govern-

ment to assume our share of the surplus debt of the late Province of Canada, we could have done but little in the way of cash subsidies towards railway construction.

We must not, and for one, I, will not be a party to placing such a debt on the Province, as to oblige the Legislature to resort to direct taxation, in order to meet the current expenses of the Government, or to pay interest on our debt. And although at present I endanger my personal popularity in adopting this course, still I feel convinced that the people of the Province will, by-and-by, see the prudence of the course adopted.

We have received since July 1, 1867, to 1st July last, as revenue, as appears by our published statements, $12,165,089.64, and expended during the same period, $11,168,508.38, which with the unpaid warrants outstanding, to the amount of $54,822.83, left in the Treasury the 1st July last $1,051,404.10, as appears in the public accounts.

We have from the 1st July, 1867, to 1st July, 1874, spent on works of a permanent character $934,674.

We left in the hands of the Dominion Government from July 1st, 1868, to 1st July, 1873, on account of interest on our share of the surplus debt $1,163,367.90.

There is at present in the hands of the Dominion Government to our credit, and carrying 5 per cent interest from the superior education fund $412,314.25 and from the common school fund $675,986.90, also on interest at 5 per cent. On these we receive the interest annually.

There is also, in the hands of the Ontario Government, as part proceeds of the common school lands, about $750,000, and some 8,000 or 9,000 acres of lands still to be realized. As to these sums there is no dispute.

The municipal loan fund for Lower Canada, which will have to be regulated one of those days, amounts to $2,387,039.73 as well as a share of the Upper Canada M. L. fund and some other assets to be divided between the two Provinces.

There is no use in discussing the fact, that to meet our current expenditure, and the interest on our loan, we must exercise the strictest economy in our expenditures. If this is done I think we may get along, paying necessary expenses and the interest upon our debt. By using up the surplus on hand and collecting in, and utilizing our available assets, we can pay our way without interfering with the necessary business of the country.

I have made a calculation, and find that we will probably have to pay out of our railway moneys, during the next fiscal year, at least two millions of dollars, possibly more than that sum. By that time we will be able to know, whether we can make our assets available, in the principal, for the payment of subsides, or in the shape of the interest we obtain on assets in the Dominion Government hands, to meet equal interest on an increased loan if required, and the Legislature can then decide what is to be done.

The consideration of the House in such an important question as that involved in the Pacific Railway should not be guided by any party feeling, or looked at from a party point of view. The interest of the Province should be first, then local interests afterwards.

When the railway resolutions come before the House I will give such further information as may be considered necessary to a full understanding of the whole question.

And now Mr. Speaker, to conclude, I have to thank the hon. members of the House for the kind and courteous way they have received my remarks, not only on this occasion, but on many previous similar occasions, in presenting the estimates before them. This courtesy has by no means been confined to this side of the House. Hon. members on the other side have uniformly listened with patience and attention to the remarks I had to offer, and criticized them as little, perhaps less, than they deserved. For the consideration I have received from all I sincerely thank them.

Before another budget is brought down, the *personnel* of the House will be in the nature of things very much changed, other persons will take our position in the House and before the coun-

try. The conduct of our Provincial affairs will be intrusted to other parties for the most part. If those who succeed us endeavour to imitate those who have occupied places in this House for the past eight years, in so far as to exclude from all discussions, questions of nationality, race and creeds, and judge of questions upon their real merits, irrespective of those national and religious differences which exist among our people, they will deserve the approbation of their country, as I believe this and the former members of the Legislature deserve the thanks of every well wisher of the Province.

I firmly believe in the future of our Dominion. We are destined to become a great nation, great in our national resources, great as respects population, great as respects our free institutions, our free liberal laws, our administration of these laws, and destined to become one of the great powers of the world, in our influence on other nations, in the example of our enterprise, Agricultural, Commercial and in Mechanical pursuits.

I trust, also, our educational and religious institutions will keep pace with our material prosperity, and show that the nation, on this side of the Atlantic, has not deteriorated from those two great nations in Europe, from which we are descended ; but that we are determined, to follow in their footsteps, and show that increasing age as a Dominion does not enfeeble our power or energies ; but that each year adds additional strength and vigour to our institutions, till we number as many centuries as we have years since the formation of the Confederacy of the Provinces of British North America. (Cheers.)

I have faith also in the future of our own Province. We have passed many valuable and wise laws. These laws have been well administered. We have had abundance of food for man and beast in our borders. Our advance in the opening up of the Province by means of roads and railways has been marked, and is steadily advancing with greater rapidity than ever before. The construction of railways cannot fail to materially advance our prosperity, in every department of industry, and I trust our educational and religious advantages have kept, and will keep pace

with our other improvements. A wise economy in the administration of our resources, a true regard to the interests of our Province as paramount to mere party ties, strict attention to our duties as private individuals and as public men, cannot fail, with the blessing of a kind Providence, to make and keep us a happy, contented and prosperous people.

At the conclusion of his speech, which was unusually able, and occupied fully two hours in its delivery, the hon. gentleman sat down amid very warm applause from both sides of the House.

It may be proper to observe that during the course of his statement, the Treasurer had to reply to various questions. We append some of the most important, and his answers.

Mr. BELLINGHAM—As to the advertisement in the London *Times*, who drew it up ?

Hon. Mr. ROBERTSON—It was put in by Morton, Rose & Company, and the Montreal Bank, with a statement appended, signed by himself, showing the amount of the loan, the resources of the Province, and the surplus we had.

Mr. BELLINGHAM—Did not that advertisement pledge $214,000 additional subsidy from the Dominion for the payment of the interest on the bonds ?

Hon. Mr. ROBERTSON—Not any more than any other revenue of the country. He had merely stated this in order to show that, with this increased means at our command, the Province will be in a still better position to meet its liabilities.

Mr. ALEXANDER—A statement like that was necessary to secure the success of the loan, and only made the position the better.

Mr. BELLINGHAM—(referring to the bankers who negotiated the loan in England)—Did you apply in writing or verbally to these gentlemen ?

Hon. Mr. ROBERTSON—Verbally. He had received introductions from the best men in the country, who had given him

sound advice. He thought so then, and thought so still. Shortly afterwards he remarked that he had been felicitated, either verbally or by letter, on the high price at which he succeeded in placing the bonds, by Sir Alexander Galt, Sir Francis Hincks, Hon. Mr. Cartwright, Hon. Mr. Holton and others.

Mr. ALEXANDER—With regard to the negotiating of the loan by the hon. Treasurer, I may say that being in London about the time this loan was made, with two of my confreres from the City Council of Montreal, on the same business, and daily meeting for some time the hon. Treasurer, we formed the opinion that the loan made by him, and the terms of it, were highly successful, and carried out with much tact on his part. Not only was this our opinion then, but also that of the oldest financiers of that city with whom we came in contact. All of them formed the opinion that in the interests of this Province he had done well. We may say further that those with whom we negotiated our loan affirmed distinctly that they could not take any other on such favorable terms as those given to Mr. Robertson, the hon. Treasurer. Since my return home I have had the opinion of some of our prominent financiers, who all confirm the impression made on our minds when in London. Mr. Speaker, permit me to say that, in my opinion, any discussion on this subject will not conduce to the sale of your bonds in the London market, but I fear will have a contrary effect, sir, to depress their value and react injuriously to our credit. The London money market is very sensitive, the stock brokers being always on the watch, and I am persuaded that this honorable House would not like by any action of theirs to injure the credit of the Province. A large number of your bonds are still unsold, and it would be a pity to put these future bonds which may be issued in a worse position by a discussion that may give the impression to the Province, and to the London Stock Exchange, that this honorable House does not sustain its Treasurer in the matter of this loan. In my judgment such discussion as will throw discredit on the action of the hon. Treasurer in the negotiation of the loan last summer, will only result detrimentally to the price of your bonds in the London market, and, as I have already remarked, seriously endanger the

balance held for sale by your agents in London. I make these remarks as a matter of justice to the honorable Treasurer, and I am fully sustained by the two gentlemen who were with us then. On this subject I could say much more, but it will be better not, more than to merely state emphatically to this House and the Province, that there can be no doubt but that in the interest of the country the loan was a most successful one.

After some further discussion the House went into Committee and adopted *pro forma* a few items of the estimates, when the Committee reported.

The House then adjourned at 10.45 p.m.